

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

JUN 16 2003

**OFFICE OF
MANAGING DIRECTOR**

Leon L. Nowalsky, Esq.
Nowalsky, Bronston & Gothard, P.L.L.C.
3500 North Causeway Blvd.
Suite 1442
Metairie, LA 70002

Re: CTS Telecom, Inc.
FY 2001 Regulatory Fees
Fee Control No. 00000RROG-02-056

Dear Mr. Nowalsky:

This is in reply to your correspondence dated March 13, 2002 responding to the letter from the Commission's Office of Managing Director notifying CTS Telecom, Inc. (CTS) that it was required to pay the fiscal year (FY) 2001 regulatory fee of \$9,210.00, plus a late charge penalty of \$2,302.50 for late payment of the FY 2001 regulatory fee, for a total payment of \$11,512.50.¹ Our records reflect that you have not paid the regulatory fee or the late charge penalty.

In your letter, you state that CTS is a wholly-owned subsidiary of WorldxChange Communications, Inc. (WXCI) which, in turn, is a subsidiary of World Access, Inc. (WAXS). You state that WXCI, WAXS, and their subsidiaries filed for Chapter 11 bankruptcy in "late 2001" with the United States Bankruptcy Court for the Eastern Division of the Northern District of Illinois (Bankruptcy Court).² You state that in connection with the bankruptcy filing, the United States business operations of WXCI and CTS were sold on May 25, 2001 and that "[t]he proceeds of the sale were deposited into the bankrupt estate." You explain that as a result of this sale, neither WXCI nor CTS "has any remaining domestic business." You state that from the date of the court order confirming the sale (i.e., May 25, 2001) through "the current time period," all revenues associated with the business of WXCI and CTS "are being reported under Counsel Corporation, the company that acquired the business of these divisions." You state that "[f]or those amounts owed for those time periods prior to the date of the sale of the business, the FCC should file a proof of claim in the aforementioned bankruptcy

¹ See Letter from Susan A. Donahue, Chief, Revenue & Receivables Operations Group, Office of Managing Director, FCC, to CTS Telecom, Inc. (dated Feb. 8, 2002).

Leon L. Nowalsky, Esq.

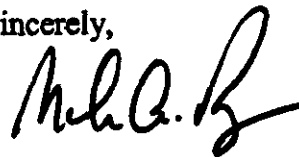
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proceeding." You submit a copy of the "Order Approving Auction Sale" issued May 25, 2001 by the Bankruptcy Court. You also submit a "Multi-Party Agreement" dated June 4, 2001 between Counsel Corporation, PT-1 Counsel, Inc., WXCI, and George Farley (trustee of the D&K Grantor Retained Annuity Trust). In addition, you submit a "Transition Services Agreement" dated June 24, 2001 between WAXS, WXCI, PT-1 Counsel, Inc., and Counsel Corporation, Inc.

The information before us reflects that CTS's United States business operations were sold on May 25, 2001 and that CTS did not hold the telecommunications authorizations at issue here when the FY 2001 regulatory fees were due (i.e., September 26, 2001). We therefore find that CTS is not responsible for the payment of the FY 2001 regulatory fee.³ We note that the sale of CTS's assets (including the authorizations at issue here) was transacted in connection with CTS's filing for bankruptcy and with the Bankruptcy Court's approval. Waiver of the FY 2001 regulatory fees under the instant circumstances is consistent with the Commission's general policy of waiving regulatory fees for licensees who are bankrupt because the regulatory fee could act as an impediment to the negotiations and the transfer of the station to a new licensee.⁴ Accordingly, we will cancel the bill for payment of the FY 2001 regulatory fee and the associated late charge penalty issued to CTS.

If you have any questions concerning this letter, please call the Revenue & Receivables Operations Group at (202) 418-1995.

Sincerely,



Mark A. Reger
Chief, Financial Officer

³ See *Assessment and Collection of Regulatory Fees for Fiscal Year 2001, Report and Order*, 16 FCC Rcd 13525, 13536-37 (2001).

⁴ See *Implementation of Section 9 of the Communications Act. Assessment and Collection*

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NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

3500 North Causeway Boulevard
Suite 1442

Metairie, Louisiana 70002

Telephone: (504) 832-1982

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March 13, 2002

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

2002 MAR 18 P 2: Monica Borne Haab
Ellen Ann G. Sands
Bruce C. Betzer

ACCOUNT PROCESSING
GROUP-DPT/RPT/TMT

RECEIVED & INSPECTED

MAR 18 2002

FCC - MAILROOM

Via Second Day Air

Ms. Claudette Pride, Acting Chief
Federal Communications Commission
Revenues and Receivables Operations Group
445 12th Street S.W., 1A820
Washington, D.C. 20554

RE: CTS Telecom, Inc.
02-CCB0060

Dear Ms. Pride:

We are in receipt of a letter from Ms. Susan Donahue dated February 8, 2002, relative to the failure of CTS Telecom, Inc. ("CTS") to pay the regulatory fees which were due to be paid to the Federal Communications Commission ("FCC") for the fiscal year 2001, which has been turned over to this office for response.

CTS is a wholly owned subsidiary of WorldxChange Communications, Inc. ("WXI"), who in turn, is a subsidiary of World Access, Inc. ("WAXS"). In late 2001, WAXS, WXCI and their various subsidiaries filed for Chapter 11 with the United States Bankruptcy Court for the Eastern Division of the Northern District of Illinois. (Case No. 01 B 14633).

In connection with the bankruptcy filing, the U.S. business operation of WAXS' subsidiary, WXCI, and WXCI's subsidiary, CTS, were sold on May 25, 2001. The proceeds of the sale were deposited into the bankrupt estate (see copy of order confirming the sale).

As a result of this sale, neither WXCI nor its subsidiary, CTS, has any remaining domestic business. Therefore, from May 25, 2001, the date of the court order confirming the sale, through the current time period, all revenues associated with the business of WXCI and its subsidiary are being reported under Counsel Corporation, the company that acquired the business of these divisions.

For those amounts owed for those time periods prior to the date of the sale of the business, the FCC should file a proof of claim in the aforementioned bankruptcy proceeding.

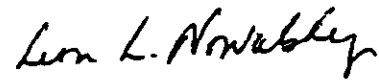
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GROUP-DPT/RPT/TMT

March 13, 2002

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Should you have any questions or require any additional information, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leon L. Nowalsky".

Leon L. Nowalsky

LLN/rph
Enclosures

cc: Carl Sonne

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ACTION: R SCREEN: DXRF USERID: FCCF

*** DOCUMENT CROSS REFERENCE INQUIRY TABLE ***

KEY IS TRANS CODE, TRANS NUMBER, F/B/A, REF TRANS ID, ACCEPT DATE, DOC ACTION

TRANS CODE: BD TRANS NUMBER: 02-CCB0060 DOC TOTAL: 11,512.50
OUTST AMT: 11,512.50

	F/B/A	REF TRANS ID	ACCEPT DATE	DOC ACT	VENDOR	AMOUNT
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FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

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OFFICE OF
MANAGING DIRECTOR
CTS Telcom, Inc.
9999 Willow Creek Rd.
San Diego CA 92131

Re: 02-CCB0060

Dear Regulator:

This letter is in reference to the Fiscal Year (FY) 2001 regulatory fees, which were due to the Federal Communications Commission (Commission) during the period, September 10-26, 2001. These are mandatory fees established by Congress in accordance with the Omnibus Budget Reconciliation Act of 1993. The fees are used to offset costs associated with the Commission's enforcement, public service, international, policy, and rulemaking activities. An unpaid regulatory fee is a debt owed to the United States, see (31 U.S.C. §3701).

The Commission is verifying its FY 2001 regulatory fees collection to identify those regulatees who have not paid. We have no record of receiving the FY 2001 regulatory fee under the following FCC Form 499-A Filer ID and Taxpayer Identification Number (TIN):

FCC Form 499-A Filer ID: 801850

TIN: 65-475433

We have examined your most recent FCC Form 499-A, and it appears that you owe the FY 2001 regulatory fee of \$9,210. If this amount is correct, and you have not yet paid this fee, then you also owe a 25% penalty, which penalty equals 2,302.50. The total fee now due is 11,512.50. ✓

Payment in full should be remitted with the enclosed Remittance Advice, FCC Form 159 to: Federal Communications Commission, P.O. Box 358835, Pittsburgh, PA 15251-5835 within 30 days of the date of this letter. You should submit all payments that are due, including the 25% penalty, for each Filer ID and TIN. The 25% penalty should be listed separately on the Form 159. The payment type code to be used for the penalty is "0199."


If you made full payment within the time required, please provide a complete copy of your submission (Form 159), including proof of payment. If you believe that you were exempt from the FY 2001 regulatory fee under the Commission's rules, please submit complete documentation supporting your position within twenty (20) days of the date of this letter. These documents should be sent to Federal Communications Commission, Revenue & Receivables Operations Group, Room 1A821, 445 12th Street, SW, Washington, DC 20554.

If this debt is not paid within 30 days from the date of this letter, we may apply other administrative sanctions. The sanctions may include dismissing any pending or subsequent applications filed by you or your organization with the Commission. Such applications include, but are not limited to: tariff filings under Section 203 of the Act, applications under 1.2 of the Rules, petitions for waiver of the rules under 1.3 of those Rules, petitions for rulemaking under 1.401 of the Rules, and applications for special permission under Sections 61.17 and 61.152 of the Rules.

In addition, the Commission may revoke any instruments of authorization held by you or your organization. Such instruments include, but are not limited to, any authorizations granted under Section 214 of the Act and any licenses granted under Title III of the Act.

If you have any questions concerning this letter, you may write me at the Commission or call the Revenue & Receivables Operations Group at (202) 418-1995.

Sincerely,


Susan Donahue, Chief
Revenue & Receivables Operations Group

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

E O D MAY 30 2001

In re:)	
)	Chapter 11
WORLD ACCESS, INC., et al,)	
)	Case No. 01 B 14633
Debtors and Debtors in)	(jointly administered)
Possession.)	
)	Hon. Susan Pierson Sonderby

ORDER APPROVING AUCTION SALE

This matter came to be heard on the Motion for an Order (1) Authorizing the Sale of the U.S. Retail Operations of WorldxChange Communications, Inc. or the Assets Relating Thereto and Granting Other Relief; (2) Establishing Procedures for Bids; and (3) Shortening Time for Notice of Approval of the Sale (the "*Motion*") filed by WorldxChange Communications, Inc. ("*WxC*"), one of the above captioned debtors and debtors in possession (the "*Debtors*") (capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion); the Court having entered an Order (1) Shortening Time for Notice of Approval of Sale; (2) Establishing Procedures for Bids to Purchase U.S. Retail Operations or Assets Used in Connection Therewith; and (3) Scheduling Hearing on Sale of Assets or Operations (the "*Order*"); notice of the Auction having been served in accordance with the provisions of the Order; the Auction having been conducted on May 24, 2001 and the statements and representations set forth on the record of the Auction are made a part hereof as ^{it} fully set forth; the Successful Bidder at the Auction for certain of the assets of WxC being Counsel Corporation (the "*Purchaser*"); the Court having conducted the Sale Hearing on May 25, 2001 and the Court having heard the statements of counsel in support of the relief requested in the Motion (the "*Approval Hearing*"); and it appearing to the Court that: (a)

my

the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); (c) a sound business purpose exists for the sale of the Purchased Assets (as defined herein); (d) notice of the Motion, the Auction and the Approval Hearing was sufficient under the circumstances; (e) the sale of the Purchased Assets (as hereinafter defined) has been proposed in good faith and at arms length; (f) the price paid for the Purchased Assets (as hereinafter defined) is fair, reasonable and adequate; (g) the relief granted herein is in the best interests of the Debtor and its estate and creditors; and (h) the legal and factual bases set forth in the Motion and at the Approval Hearing establish just cause for the relief granted herein; the Official Committee of Unsecured Creditors (the "*Committee*") in these cases and Mark Pavol, in his capacity as Trustee of the D&K Grantor Retained Annuity Trust (the "*Trust*"), which holds a security interest in the Purchased Assets (as hereinafter defined) having stated their support for the entry of this Order; and the Court otherwise being fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Debtor shall be, and hereby is, authorized to sell the Purchased Assets (as hereinafter defined) to the Purchaser or to its designee or assignee;
2. The closing of the sale of the Purchased Assets (as hereinafter defined) (the "*Closing*") shall take place at the offices of Lamberth, Bonapfel, Cifelli & Stokes P.A., 3343 Peachtree Road, N.E. Suite 550, Atlanta, GA 30326, within five business days following the entry of this order (the "*Closing Date*"), provided, however, that the Closing shall not be extended for the purpose of affording Purchaser additional time to complete its review of WxC's leases and contracts or to submit the list of Assumed Contracts (as hereinafter defined), unless otherwise ordered by the Court or agreed upon by WxC, the Committee, the Purchaser, and the Trust. With

respect to the Closing, time is of the essence. On or before the Closing, the Purchaser and WxC shall agree upon reasonable terms and consideration for reciprocal access to billing, MIS, accounting and other systems, services and software that the Debtors and certain non-debtor subsidiaries utilize in the operation of their business to provide for an orderly transition and to enable the Purchaser to continue to conduct the business following the Closing (the "Transition Agreement");

3. WxC is hereby authorized, empowered and directed, pursuant to 11 U.S.C. § ~~363~~ ^{101(a)(2)} 363(b) and (f), to sell the Purchased Assets to the Purchaser pursuant to and in accordance with the terms and conditions of the Successful Bid, and, pursuant to 11 U.S.C. § ~~363~~ ^{101(a)(2)} 363, good and valid title to the Purchased Assets shall pass to the Purchaser at closing, free and clear of any and all liens (including, without limitation, mechanics', materialmen's and other consensual and non-consensual liens and statutory liens), security interests, encumbrances and claims (as defined in 11 U.S.C. § 101(5)), reclamation claims, mortgages, pledges, restrictions, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, options, rights of first refusal, contracts, offsets, recoupment, rights of recovery, judgments, orders, claims for reimbursement, contribution, indemnity or exoneration, and decrees of any court or foreign or domestic governmental entity, interests, products liability, alter-ego, environmental, successor liability, tax and any and all other liabilities and claims, to the fullest extent of the law, in each case whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, or known or unknown, whether arising prior to, on, or subsequent to the Petition Date, whether

supplied

imposed by agreement, understanding, law, equity or otherwise (collectively, the "*Liens and Claims*"). All of the Debtor's right, title and interest in and to the Purchased Assets (as hereinafter defined) shall be, and hereby is, sold and transferred to the Purchaser free and clear of all Liens and Claims, with such Liens and Claims to attach to the proceeds received by the Debtors, with the same force and effect that such Liens and Claims now have, subject to further order of the Court. Title to the Purchased Assets (as hereinafter defined) shall pass to the Purchaser upon Closing;

4. The transactions contemplated by the Successful Bid have been bargained for and undertaken by the Purchaser and the Debtors at arm's length, without collusion, and in good faith within the meaning of 11 U.S.C. §363(m);

5. Pursuant to 11 U.S.C. §363(m), if any or all of the provisions of this Order are hereafter reversed, modified, or ~~vacated~~ ^{vacated} by a subsequent order of this Court or any other court, such reversal, modification, or ~~vacatur~~ ^{vacatur} shall not affect the validity and enforceability of any obligation or right granted pursuant to the terms of this Order, and notwithstanding any reversal, modification, or ~~vacatur~~ ^{vacatur} of this Order, any actions taken by either the Purchaser or Debtors pursuant to the terms of this Order prior to the effective date of any such reversal, modification, or ~~vacatur~~ ^{vacatur} shall be governed in all respects by the original provisions of this Order and the Successful Bid, as the case may be;

6. The Court hereby approves the bid of the Purchaser, which bid by the Purchaser is as follows:

(a) The Purchaser shall purchase all of the assets of WxC generally consisting of all assets employed in the operations of WxC's business in the United States and the stock of the WxC Canadian subsidiary (the "*Purchased Assets*"), including, without limitation, all retail and

wholesale receivables and all other tangible and intangible assets excluding, however, the following assets of WxC:

- all current post-petition practice, including payment of all monies owed to creditors on a post-petition basis.*
- (i) all stock or other equity interests in WxC's subsidiaries and affiliates not engaged in U.S. Trade or business or having assets located in the U.S., except the Canadian subsidiary which shall expressly be included;
 - (ii) all avoidance actions or recovery actions under 11 U.S.C. §§ 502(d), 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553;
 - (iii) all intercompany accounts receivable (as specified in the Court's May 23, 2001 Order approving the settlement between the Committee and the Trust); *Authorizing [Signature]*
 - (iv) all assets exclusively relating to Guatemala, El Salvador and their operations;
 - (v) all overseas IRU's (as defined on the record at the Auction) not used as part of WxC's domestic (U.S.) business; and
 - (vi) cash, and cash equivalents, including WxC's cash collateral account.

(b) The Purchaser shall pay, at Closing, USD \$15,000,000 (Fifteen Million U.S. Dollars) for the Purchased Assets (the "Purchase Price"), which Purchase Price shall, at the Closing, be adjusted, on a dollar for dollar basis, upward or downward, in an amount equal to the amount by which the WxC retail accounts receivable, as of the Closing, differ from the amount of WxC's U.S. retail accounts receivable existing as of the close of business on May 24, 2001, calculated on a consistent basis in accordance with WxC's post-petition practice and as calculated by WxC for purposes of demonstrating adequate protection in connection with WxC's motion for authority to use cash collateral;

(b1)

(c) The Purchaser shall, as soon as practicable, and by the Closing Date, provide the Debtor with a written list of leases and executory contracts which the Purchaser desires the Debtor to assume and assign to the Purchaser (the "Assumed Contracts") and a written list of leases and executory contracts which Purchaser wishes the Debtor to reject. Purchaser shall have up to

thirty days (or such lesser period as requested by the Purchaser in the written notice given to the

To the extent requested by the Purchaser by the Closing Date

all payroll accrued

The Purchaser shall be solely responsible and liable for all cure costs relating to all Assumed Contracts.

Debtor by the Closing or such longer period as agreed upon by the Purchaser, the Debtors and the Committee) from the Closing Date to advise the Debtor of its intentions with regard to those remaining executory contracts and leases that the Debtor has not assumed and assigned and/or rejected, it being understood that Purchaser shall be obligated to pay the carrying costs and any and all other charges and expenses for such leases and executory contracts during the period from the Closing Date to the date of rejection or assumption and assignment of the remaining executory contracts and leases. Within the foregoing periods pursuant to which Purchaser may determine its intentions with respect to the leases and executory contracts, the Debtor shall file motions to assume and assign the leases and executory contracts and, alternatively provide notices of rejection, at Purchaser's direction. The Purchaser shall be obligated to pay the full Purchase Price at Closing whether or not the Purchaser has provided the Debtor with the list of Assumed Contracts;

(d) On May 25, 2001, the Purchaser shall provide the Debtor, via wire transfer to the law firm of Katten Muchin Zavis (counsel to the Debtors), with an earnest money deposit in the amount of USD \$1,500,000 (One Million Five Hundred Thousand U.S. Dollars), to be held in trust by Debtors' counsel subject to either Closing or further Court Order (all of the above is referred to as the "Successful Bid"), which earnest money deposit shall be forfeited if the Purchaser fails to close on the terms set forth herein by the Closing Date:

(e) The Purchaser shall employ approximately one hundred ten (110) of WxC's employees on substantially the same employment terms as presently exist; and

(f) WxC bears no responsibility for curing any defaults on any executory contracts or unexpired leases (other than the post-petition date (April 24, 2001) costs of the Siemens contracts), and there shall be no adjustment to the Purchase Price for any executory contracts or unexpired leases that the Purchaser decides (for any reason) not to assume.

7. The Court hereby approves, as the second best bid, the bid of the Trust, which bid is substantially similar in all respects to the Successful Bid except that the Purchase Price offered by the Trust is USD \$14,900,000, which Purchase Price is a credit bid pursuant to 11 U.S.C. §363(k) (the "Second Bid"). The Debtor is hereby authorized to accept and close on the Second Bid if the Successful Bid fails to close in accordance with the terms of this Order;

8. The transfer of the Purchased Assets pursuant to the Successful Bid: (a) is a legal, valid and effective transfer of the Purchased Assets from the WxC to the Purchaser; (b) vests in the Purchaser all right, title and interest of WxC in and to the Purchased Assets; (c) constitutes a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the United States, any State, territory or possession, or the District of Columbia; and (d) does not and will not subject the Purchaser to any liability by reason of such transfer under any laws of the United States, any State, territory or possession, or the District of Columbia applicable to such transfer based in whole or in part, directly or indirectly, on any theory of law, including without limitation, any theory of successor or transferee liability;

9. The Successful Bid is approved, including all of the terms and provisions of the Successful Bid, and the Debtors are authorized to consummate and perform their obligations under the Successful Bid, and to execute all documents and instruments of assignment, transfer and sale that are necessary and appropriate to implement the Successful Bid;

10. Except as otherwise provided in this Order, all parties and/or entities asserting Liens and Claims against the Purchased Assets are hereby permanently enjoined and precluded from: (a) pursuing such Liens and Claims against the Purchased Assets; (b) asserting, commencing or continuing in any manner any action or claim against the Purchaser (or any of its subsidiaries or affiliates) or any director, officer, agent, representative or employee of the Purchaser or any lender

to or investor in the foregoing entities (collectively, the "*Protected Parties*") or against any Protected Party's assets or properties on account of such Liens and Claims; (c) the enforcement, attachment, collection or recovery, by any manner or means, of any judgment, award or decree or order against the Protected Parties or any assets or properties of the Protected Parties on account of such Liens and Claims; (d) creating, perfecting or enforcing any encumbrance of any kind against the Protected parties or any properties or assets of the Protected Parties on account of such Liens and Claims; (e) asserting any set off, right of subrogation or recoupment of any kind against any obligations due to the Protected Parties on account of such Liens and Claims; and (f) any action, in any manner, in any place whatsoever, affecting the Purchased Assets that otherwise does not conform to or comply with the provisions of this Order;

11. Upon the Closing and upon payment of the Purchase Price, all holders of Liens and Claims against the Purchased Assets shall hereby release: (a) the Purchaser and the Purchased Assets from any and all Liens and Claims or liabilities based upon any act or occurrence or failure to act taken before the date of this Order arising out of the business or affairs of the Debtors or their estates or the Purchased Assets; and (b) the respective present and former directors, officers, employees, agents, representatives, financial advisors, attorneys and accountants of the Purchaser, from Liens and Claims that holders of Liens and Claims may be entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, against the Debtors or their estates based in whole or in part upon any act or omission, transaction or the occurrence taking place on or before the Closing in any way relating to the Debtors, the Debtors' chapter 11 cases, or the Purchased Assets;

12. Each and every federal, state, and local governmental agency or department is hereby ~~directed to accept~~ any and all documents and instructions necessary and appropriate to consummate

the transactions contemplated by the Successful Bid, including, without limitation, documents and instruments for recording in any governmental agency or department required to transfer to the Purchaser the names necessary for the operations that are associated with the Purchased Assets;

13. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Liens and Claims against or in the Purchased Assets shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all Liens and Claims that the person or entity has with respect to the Purchased Assets or otherwise, the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets, and any and all governmental authorities are authorized and directed to accept such statements, instruments, releases and other documents for filing;

14. All entities who are presently, or on the Closing date may be, in possession of some or all of the Purchased Assets are hereby directed to surrender possession of the Purchased Assets to the Purchaser on the Closing;

15. The Purchaser's agreement to purchase the Purchased Assets is unconditional and the Purchaser is solely responsible for all regulatory or governmental consents, approvals and issues regarding its purchase of the Purchased Assets;

16. The Debtors are hereby authorized and empowered to execute and deliver any and all instruments as may be required to effectuate the terms of the Successful Bid and this Order. The Successful Bid and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by the parties and approved by

the Trust and the Committee, and in accordance with the terms thereof without further order of the Court provided that any such modification, amendment, or supplement is not material;

17. Upon the Closing, the Debtors are authorized and directed to distribute the proceeds received at Closing to, or at the direction of, the Trust, without offset;

18. Other than liabilities or cure amounts relating to or arising in connection with the Assumed Contracts, the Purchaser is not assuming, and shall not be liable for, any liabilities, obligations or claims of or against WxC and the Purchaser is not, and shall not be, deemed a successor to WxC;

19. The Sale approved by this Order is not subject to avoidance pursuant to 11 U.S.C. §363(n);

20. All of the terms and provisions of the Successful Bid and this Order shall be binding in all respects upon, and shall inure to the benefit of the Purchaser, the Debtors, the Debtors' estates, and their successors and assigns including, without limitation, any chapter 11 trustee hereinafter appointed for the debtors or any trustee appointed in a chapter 7 case if any of the Debtors' cases are converted from chapter 11, and this Order shall survive the appointment of such a trustee or the conversion of these cases to cases under chapter 7 of the Bankruptcy Code;

21. This Court shall retain exclusive jurisdiction to enforce the provisions of this Order and the Successful Bid and to resolve any dispute arising in or relating to this Bankruptcy Code concerning this Order, the Successful Bid, or the rights and duties of the parties hereunder or thereunder or any issues relating to the Successful Bid and this Order, including, but not limited to, interpretation of the terms, conditions and provisions thereof, and the status, nature and extent of the Purchased Assets, and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the Purchased Assets free and clear of Liens and Claims;

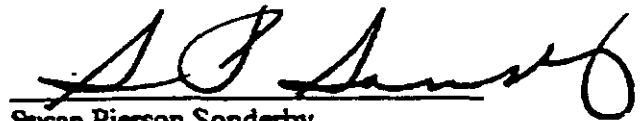
22. Nothing contained herein shall affect the rights of the operating subsidiaries of Verizon Communications, Inc. (collectively, "Verizon") or otherwise transfer to the purchaser any contracts between WxC and Verizon, including, without limitation, the billing and collection contracts between WxC and Verizon and the wholesale services that Verizon provides to WxC pursuant to agreements set forth in applicable tariffs (collectively, the "Verizon/WxC Agreements"). All rights, if any, of Verizon are expressly preserved, including, without limitation, its claims against WxC, its setoff and recoupment rights, and its rights to object to the assumption and assignment of the Verizon/WxC Agreements;

23. The sale authorized herein shall be afforded the protections of Section 1146(c) of the Bankruptcy Code; and

24. As provided by Bankruptcy Rules 6004(g), 6006(d) and 7062, because time is of the essence, this Order shall be effective and enforceable immediately upon entry.

May 25, 2001.

ENTERED:



Susan Pierson Sonderby
Chief United States Bankruptcy Judge

TRANSITION SERVICES AGREEMENT

TRANSITION SERVICES AGREEMENT ("Agreement") dated and effective as of June 4, 2001 (the "Closing") between **WORLD ACCESS, INC.**, a Delaware corporation, together with its affiliates (other than Debtor), designees, successors and assigns (collectively "World Access"); **WORLDxCHANGE COMMUNICATIONS, INC.**, a Delaware corporation, its affiliates, designees, successors and assigns (collectively "Debtor"); **PT-1 COUNSEL, INC.**, a.k.a., **PT-1 LONG DISTANCE, INC.**, a Delaware corporation, together with its designees, successors and assigns (collectively, "Purchaser"); and **COUNSEL CORPORATION, INC.**, a Canadian corporation, together with its affiliates (other than Purchaser), designees, successors and assigns ("Bidder").

WHEREAS, on April 24, 2001, Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101 et seq., as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Northern District of Illinois Eastern Division (the "Bankruptcy Court") and is acting as debtor in possession;

WHEREAS, Purchaser contemplates purchasing certain of Debtor's assets utilized in Debtor's United States business ("Business") pursuant to that certain Order Approving Auction Sale, dated May 25, 2001 ("Order"), the Bill of Sale between Debtor and Purchaser of even date herewith and the agreement among various parties modifying purchase price and related matters;

WHEREAS, Purchaser anticipates being assigned certain of Debtor's contracts and leases pursuant to motions to assume and assign such contracts and leases as contemplated under section 6(c) of the Order and causing the Debtor to reject or otherwise dispose of all remaining contracts and leases not assumed and assigned to Purchaser; and

WHEREAS, World Access and Purchaser have agreed to provide certain transition services to each other in connection with the assets transferred under the Bill of Sale and the Assignment and Assumption Agreement after Closing pursuant to the terms and conditions and in return for the payment of the fees set forth in this Agreement; and

WHEREAS, all terms not otherwise defined herein shall have the meanings set forth in the Order;

NOW THEREFORE, in consideration of mutual agreements, covenants and promises herein contained, the parties agree as follows:

SECTION 1. Use of AS 400 System.

Section 1.1 Use of AS 400 Hardware. The parties acknowledge that Debtor has been operating its Tele-Flex software on World Access's AS 400 computer and related hardware (the "AS 400 System") in connection with its billing operations and that after Closing Purchaser will

World Access hereby grants Purchaser the continued and uninterrupted right to utilize the AS400 System in connection with its billing operations of the Business on the same basis as was available to the Debtor prior to the Closing.

Section 1.2 Term. World Access hereby agrees to allow Purchaser the continued uninterrupted use of the AS 400 System as set forth in this Section 1 for a period of 30 days following Closing provided that such term may be extended for an additional 60 days if Purchaser notifies World Access in writing prior to expiration of the original 30-day period.

Section 1.3 Service Levels. The parties acknowledge and agree that the AS 400 System is presently located in the Annex Building and shall remain in its present location throughout the term specified in Section 1.2 above. Purchaser shall, in a manner consistent with good engineering practices, continue to operate and maintain without interruption the AS 400 System in its present state and at its present location and World Access shall refrain from doing anything that impairs Purchaser's operation and maintenance of the AS 400 System.

Section 1.4. Pricing and Payment. For the duration of the utilization term set forth in Section 1.2, Purchaser shall pay to World Access a monthly service fee equal to 50% of the lease payments per month for such utilization.

SECTION 2. Power Generator. The parties acknowledge and agree that: (i) Debtor currently leases from Pacific Coast the Cummins diesel power generator located adjacent to the Annex Building ("Generator"); (ii) World Access has no rights in or obligations with respect to the Generator; and (iii) Purchaser shall assume all of Debtor's rights and obligations as lessee in and to the Generator, effective on the Closing, subject to any Court approvals which the parties shall cooperate in procuring.

SECTION 3. Continued Use of Switch Sites. World Access currently leases and Debtor currently occupies and utilizes: approximately 4,077 square feet of switch site space at 600 South Federal, Chicago, Illinois from Waterton Printers Square, LLC ("Chicago Site"); and approximately 8,800 square feet of switch space at 555 Howard Street, San Francisco California ("San Francisco Site").

Section 3.1 Continued Use and Occupation. World Access shall continue to allow Purchaser to occupy and utilize the Chicago Site and the San Francisco Site for the term of the lease.

Section 3.2 Payments. So long as Purchaser continues to occupy the Chicago Site and/or the San Francisco Site, Purchaser shall pay World Access for all amounts that come due under the leases from and after Closing without markup or fees.

Section 3.3 Further Assignment. Subject to Bankruptcy Court approval, World Access covenants to use its best efforts to cause the San Francisco and Chicago site leases to be assigned to Purchaser.

Section 4.1. Commercial Office Leases. Debtor currently leases the following office space:

- (i) approximately 36,100 square feet of commercial office space located at 9999 Willow Creed Road, Suite 400, San Diego California from Currie/Samuelson Development Gr as landlord ("Corporate Office"); and
- (ii) approximately 24,312 square feet of commercial/network operations space located at 9775 Business Park Avenue, San Diego California ("Annex Building").

Section 4.2 Payment of June, 2001 Rent. Purchaser hereby covenants and agrees to deliver payment to the landlord of the Annex Building lease for the month of June, 2001, which sum shall be pro-rated and paid over to Purchaser by World Access for the pro rata portion of the June rent through the date of Closing by an offset of any amount owed by Purchaser to World Access hereunder. It is understood that the Purchaser has designated the Corporate Office lease to be rejected as of the Closing Date. Purchaser shall be responsible for any payments due to landlord of the Corporate Offices for use and occupancy during the period subsequent to the Closing Date.

Section 4.3 Office Services. To the extent Purchaser has available office space in San Diego, California, as determined by Purchaser in its sole discretion, Purchaser shall provide to World Access office space and related utilities ("Office Services") sufficient to support up to twenty-four (24) employees of World Access.

Section 4.4 Term re: Corporate Office. Subject to Section 4.3, Purchaser hereby agrees to provide the office space and Office Services for a minimum of 120 days following the Closing, provided that World Access may, at its option and upon notice to Purchaser, extend such term for an additional 60 days.

Section 4.5 Pricing and Payment. World Access agrees to pay a monthly fee to Purchaser for such space to the extent such space is made available equal to the pro-rata square foot charge of the space used to the total monthly rent for the premises, together with any escalations and common charges paid to the landlord, without markup or fees.

SECTION 5. Remedy Trouble Ticket System.

Section 5.1 Use of Remedy System. The parties acknowledge that Debtor utilizes World Access' Remedy "Trouble Ticket" software operating on World Access' computer hardware which tracks the resolution of end user service problems ("Remedy System"). Subject to Section 5.2, World Access hereby grants Purchaser the continued and uninterrupted right to utilize the Remedy System in connection with its customer service operations of the Business.

Section 7.4 Specific Service Requirements. Purchaser hereby agrees to provide World Access full access to and right to use, to the extent they are employees of Purchaser, the services of Heather Presenkowski (Manager, Financial Systems), Jane Redding (Manager, General Ledger), Richard Stevenson (Staff Accountant) and Monica Sutherland (Director of Network Costing) for five (5) full business days between June 4, 2001 and June 11, 2001, and reasonable access to such employees to the extent they are employees for five (5) additional days between June 12, 2001, and June 30, 2001. Additionally, Purchaser agrees to provide World Access reasonable access to and rights to use the services of Monica Sutherland and Heather Presenkowski, to the extent they are employees of Purchaser, on an ongoing basis after the Closing to provide network validation services until such time as all such functions have been completed, or December 31, 2001, whichever is earlier.

Section 7.5. Other Service Requirements. Purchaser agrees to provide World Access with access to personnel hired by Purchaser to perform such additional services as World Access may reasonably require in shutting down its operations and closing its business through December 31, 2001.

Section 7.6. Pricing and Payment. World Access agrees to reimburse Purchaser on a per diem basis for the full salary of such employees plus ten percent (10%) for services provided to World Access pursuant to this Agreement, whether such services are provided by the specified personnel or otherwise.

SECTION 8. Banking.

Section 8.1. Cash Management and Bank Accounts. On or before Closing, World Access shall take all steps reasonably necessary to ensure that all Business lock boxes and other methods of receivables collection are directed toward Purchaser's designated bank accounts. From and after Closing World Access shall immediately forward to Purchaser any and all payments received by World Access from the Business to Purchaser, which payments shall be the exclusive property of Purchaser, provided, however, that at the end of each month each party shall reconcile any payments that may have been inadvertently misdirected and in such instances, shall promptly credit and be responsible for directing such misdirected amounts back to the other party.

Section 8.2. Bank Accounts. Bank accounts will be maintained so that checks will be processed for six (6) months from the date of the last check issued by Debtor on such accounts.

SECTION 9. CIC Transfer and Name Change. World Access and Purchaser acknowledge and agree that the Carrier Identification Code(s) ("CIC(s)") of the Business and the name "WorldxChange" and any other tradenames used by Debtor in its business operations are necessary and valuable assets, the immediate use of which after Closing is critical to Purchaser. World Access covenants and agrees that it will promptly cooperate with and assist Purchaser in effecting the transfer of all Business CIC's and the name "WorldxChange" to Purchaser, together

with any trade names, applications for such and DBA's, provided, however, that such names shall only be used in connection with the Purchaser's business operations in North America.

SECTION 10. GNOC Services.

Section 10.1. GNOC Services. World Access shall have the right to engage Purchaser, and Purchaser hereby agrees, to continue without interruption existing Global Network Operation Center ("GNOC") services consistent with the manner in which such services have been provided in the past consisting of 24 hour-a-day, 7 day-a-week (i) monitoring of World Access' European telecommunication switches and (ii) providing of technician call out services ("GNOC Services").

Section 10.2. Term. If requested by World Access, Purchaser shall provide the GNOC Services in Section 10.1 for a minimum of 90 days following the Closing, provided that such term may be extended for an additional 60 days or terminated at World Access' option and upon notice to Purchaser at any time.

Section 10.3. Service Levels. Purchaser shall provide GNOC Services in good faith and in conformity with best practices and the highest applicable standards in the telecommunications industry.

Section 10.4 Pricing and Payment. For To the extent World Access engages Purchaser to provide GNOC Services, World Access shall pay to Purchaser a monthly service fee of up to \$18,000 per month (calculated at a rate of \$25/hr x 24 hrs/day x 30 days/month = \$18,000 and pro-rated based on the actual number of days of such engagement).

SECTION 11. Billing Services and Access to Financial Information.

Section 11.1. Billing Services. Subject to Section 11.3, World Access hereby engages Purchaser, and Purchaser hereby agrees, to provide the following billing and related services for its discontinued operations in the United States and continuing operations in Europe and Canada in accordance with Debtors past practices ("Billing Services"):

- (i) mediations services, including the collection of call detail records ("CDR") from the remote switch locations for the purposes of storage, billing and issuance of critical alarms in the event technician call-out services are provided;
- (ii) data services, including the collection of CDR to the AS 400 for the purposes of storage and CDR rating for billing;
- (iii) end-user bill processing, including the creation of invoices and fulfillment files, and FTPing (transferring via file transfer protocol) of invoice

Section 12.2. Bidder or designee shall have up to 120 days from the date of the Closing to notify Debtor in writing with respect to each executory contract and unexpired lease not rejected or otherwise disposed of pursuant to Section 12.1 that it wishes the Debtor (i) to assume and assign to the Bidder or its designee or (ii) to reject, with the foregoing 120 day period subject to the provisions and terms of the Multi-Party Agreement between counsel, Buyer, Debtor Trust and consented to by the Committee. The Debtor shall promptly file motions to assume and assign or reject the executory contracts and unexpired leases as so designated. To the extent Debtor has not received the written notice described above within such 120 -day period with respect to any agreement covered by this subparagraph, then Debtor shall move to reject such agreement effective as of the end of such period or as soon as practicable thereafter.

Section 12.3. With respect to the agreements covered by Section 12.2 above, Bidder or its designee shall pay all carrying costs and all other charges and expenses relating to such agreements commencing as of the date of the Closing until the earlier of (i) the date such agreements are specifically assumed by the Debtor and assigned to the Bidder or its designee or (ii) the effective date that such agreements are rejected by the Debtor. Bidder agrees to indemnify Debtor and its affiliates against, and to hold them harmless from, all liens, liabilities and obligations arising out of the performance or failure to perform, under such executory contracts and unexpired leases during the period from the closing date until the earlier of the date such executory contracts and unexpired leases are assumed and assigned or the effective date that such executory contracts and unexpired leases are rejected, or if neither assumed and assigned nor rejected.

SECTION 13. Confidentiality.

Section 13.1. Confidential Information. "Confidential Information" means Purchaser and World Access' products and services as well as information related to the business, technology, finances, marketing plans, customer information of Purchaser and World Access. Confidential Information does not include: (i) information publicly known prior to the disclosure; (ii) information that was in lawful possession of the receiving party prior to the disclosure, without any confidentiality obligation; (iii) information that was independently developed by the receiving party outside the scope of this Agreement and without access to information received from the other party pursuant to this Agreement; (iv) information that was disclosed to the receiving party by an unrelated third party in lawful possession of the information and not in breach of any confidentiality obligation with respect to such information; and (v) information required to be disclosed pursuant to regulatory action or court order, provided adequate prior written notice of any such request to produce is given to the party whose information is to be disclosed.

Section 13.2. Restrictions on Use. Each party agrees that except as authorized in writing by the disclosing party: (i) the receiving party will preserve and protect the confidentiality of all Confidential Information; (ii) the receiving party will not disclose to any third party, except employees, consultants, the Creditor's Committee or agents who have been informed as a need to know basis, the existence, source, content or substance

of the Confidential Information, or make copies of Confidential Information; (iii) the receiving party will not deliver Confidential Information to any third party, or permit the Confidential Information to be removed from the receiving party's premises; (iv) the receiving party will not use Confidential Information in any way other than to comply with its obligations in accordance with this Agreement; and (v) the receiving party will not disclose, use or copy any third party information or materials received in confidence by the receiving party for purposes of work performed under this Agreement.

Section 13.3. Customer Information. Each party shall maintain the confidentiality and not make available to any third parties any customer information, any telephone numbers or any other personnel information received from the other party. All Purchaser customer information shall remain the property of Purchaser and all World Access customer information shall remain the property of World Access. Each party shall use the customer list or information of the other party only, as necessary and for the limited purpose of performing the obligations required herein.

Section 13.4. Return of Confidential Materials. Not later than seven (7) days after the termination of this Agreement for any reason, or any relationship between the parties, the receiving party will return to the disclosing party all originals and copies of the Confidential Information, as well as any other product materials related thereto provided to the receiving party, or created by the receiving party under this Agreement.

Section 13.5. Extended Parties. The confidentiality requirements of this Agreement extend to all employees, partners, owners, subsidiaries, agents and contractors, with which any information may have been shared in part or in total and given the nature of their relationship to the parties of the aforementioned documents, will be required to maintain the Confidential Information in confidence.

SECTION 14. Warranties and Covenants.

Section 14.1. Warranties and Covenants of Purchaser. Purchaser represents, warrants and covenants to World Access and Bidder the following:

- (a) Purchaser has the full power and due authorization to enter into this Agreement and perform the services provided for herein;
- (b) This Agreement has been duly authorized by Purchaser and does not contravene any documents, agreements or understandings binding on Purchaser, and constitutes a valid and binding agreement of Purchaser, enforceable in accordance with its terms.
- (c) Purchaser has the know-how and capability of performing the services provided for herein and Purchaser's performance of this Agreement will not conflict with any other contract to which Purchaser is bound, and in performing the services provided for herein, Purchaser will not enter into any agreement in conflict with this Agreement, and

- (d) Any information or materials developed for, or any advice provided to World Access, shall not rely or in any way be based upon confidential or proprietary information or trade secrets obtained or derived by Purchaser from sources other than World Access unless Purchaser has received specific authorization in writing to use such proprietary information or trade secrets.

Section 14.2. Warranties and Covenants of Bidder. Bidder represents, warrants and covenants to World Access and Purchaser the following:

- (a) Bidder has the full power and due authorization to enter into this Agreement and perform its obligations provided for herein;
- (b) This Agreement has been duly authorized by Bidder and does not contravene any documents, agreements or understandings binding on Bidder, and constitutes a valid and binding agreement of Bidder, enforceable in accordance with its terms; and
- (c) Bidder has the know-how and capability of performing the services provided for herein and Bidder's performance of its obligations under this Agreement will not conflict with any other contract to which Bidder is bound, and in performing its obligations under this Agreement, Bidder will not enter into any agreement in conflict with its obligations under this Agreement.

Section 14.3. Warranties and Covenants of World Access. World Access represents, warrants and covenants to Purchaser and Bidder the following:

- (a) World Access has the full power and due authorization to enter into this Agreement and perform the services provided for herein; and
- (b) This Agreement has been duly authorized by World Access and does not contravene any documents, agreements or understandings binding on World Access and, subject to any required approvals of the Bankruptcy Court, constitutes a valid and binding agreement of World Access, enforceable in accordance with its terms;
- (c) World Access' performance of this Agreement will not conflict with any other contract to which World Access is bound, and in performing its obligations under this Agreement, World Access will not enter into any agreement in conflict with this Agreement; and
- (d) Any information or materials developed for, or any advice provided to Purchaser, shall not rely or in any way be based upon confidential or proprietary information or trade secrets obtained or derived by World Access from sources other than World Access unless World Access has received

specific authorization in writing to use such proprietary information or trade secrets.

SECTION 15. Indemnification.

Section 15.1 Indemnities of Purchaser and Bidder. Purchaser and Bidder shall, jointly and severally, indemnify and hold harmless World Access and Bidder and its officers, directors, employees and agents from and against any losses, claims, damages and liabilities of any kind of nature whatsoever (the "Claims") to the extent such Claims are based on, arise from or relate to:

- (a) any use of confidential or proprietary information or trade secrets Purchaser has obtained from sources other than World Access;
- (b) any negligent act, omission, or willful misconduct of Purchaser in the performance of this Agreement;
- (c) Purchaser's or Bidder's failure to comply with federal, state or local law;
- (d) the breach of any representation, covenant or warranty of Purchaser or Bidder set forth in this Agreement.

Section 15.2 Indemnities of World Access. World Access shall indemnify and hold harmless Purchaser and its officers, directors, employees, consultants and agents from and against any losses, claims, damages and liabilities of any kind of nature whatsoever (the "Claims") to the extent such Claims are based on, arise from or relate to:

- (a) any use of confidential or proprietary information or trade secrets World Access has obtained from sources other than Purchaser's;
- (b) any negligent act, omission, or willful misconduct of World Access in the performance of this Agreement;
- (c) World Access' failure to comply with federal, state or local law;
- (d) the breach of any covenant or warranty of World Access set forth in this Agreement.

SECTION 16. Term of Agreement. The term of this Agreement shall commence on the date of execution hereof and shall remain effective until the date of the last service provided hereunder, provided that the indemnities under Section 15 and Section 12.3 shall survive the expiration of the term.

SECTION 17. Service Interruption Prevention. Purchaser and World Access will cooperate in good faith to develop service escalation procedures that will assure maximum service and utilization availability.

outlined in this provision, shall include, but shall not be limited to, service recovery procedures, back up procedures, preventive maintenance procedures, software and system upgrade procedures and prompt identification of notification procedures.

SECTION 18. Access to Information. From and after the date of Closing, during the term of this Agreement, each party will furnish to the other party or its authorized representatives with access to such financial and operating data and other information with respect to the Business in their possession as the requesting party may from time to time reasonably request in connection with tax matters, litigation or other disputes, regulatory compliance or otherwise, all at the reasonable cost and expense of the requesting party. In the event that, at any time after the date of Closing, during the term of this Agreement, a party in possession of such Business information shall propose to dispose of, destroy or abandon any of the books, records, data or other Business information in their possession, such party shall first provide the other party with a reasonable opportunity, upon thirty (30) days prior written notice, to take possession of such information at acquiring party's expense.

SECTION 19.

Section 19.1. Force Majeure. Other than with respect to failure to make payments due hereunder, neither party shall be liable under this Agreement for delays, failures to perform, damages, losses or destruction, or malfunction of any equipment, or any consequence thereof, caused by, or due to fire, earthquake, flood, water, the elements, third party labor disputes, utility curtailments, power failures or rolling blackouts, explosions, civil disturbances, governmental actions, shortages of equipment or supplies, unavailability of transportation, acts or omissions of third parties, or any other cause beyond its reasonable control.

Section 19.2. Further Assurances. Subject to availability and reasonable compensation, World Access and Purchaser agree that the intent of this Agreement is to assure the smooth, uninterrupted and complete transfer of those assets, contracts and lease identified pursuant to the Order and in the Bill of Sale between World Access and Purchaser of even date herewith. Subject to availability and reasonable compensation, during the period of this Agreement, World Access and Purchaser covenant and agree to take such steps and execute such documents as may be reasonable necessary to effectuate the smooth, uninterrupted and complete transfer of those assets, contracts and leases identified pursuant to the Order and in the Bill of Sale between World Access and Purchaser.

SECTION 20. Miscellaneous.

Section 20.1 Correspondence; Billing with respect to Prior Periods. Any and all correspondence received by Purchaser that pertains to World Access and any and all correspondence received by World Access that pertains to Purchaser or the Business shall be forwarded to the other party in a timely manner (by way of example and not by way of limitation, checks and invoices sent to World Access by vendors or customers of the Business shall be promptly forwarded to Purchaser).

Section 20.2. Notices. Any notice, request or other document to be given hereunder to a party hereto shall be effective when received and shall be given in writing and delivered in person or sent by overnight courier, registered or certified mail, postage prepaid, or by telecopy (receipt confirmed) as follows (unless otherwise specified in the provisions of this Agreement):

If to Purchaser, addressed to it at:

Barbara H. Jamaledin
9775 Business Park Avenue
San Diego California, 92131
Telephone: 858-547-5476
Facsimile: 858-549-8388

with a copy to:

Attn: General Counsel
PT-1 Counsel, Inc.
113751 South Wadsworth Park Drive, Suite 200
Draper, UT 84020
Telephone: 801-576-5000
Facsimile: 801-576-4295

and

If to World Access, addressed to them at:

Resurgens Plaza, Suite 2210
945 East Paces Ferry Road
Atlanta, GA 30326
Attn: W. Tod Chmar
Telephone: 404-231-2025
Facsimile: 404-262-2598

with a copy to:

Lamberth, Bonapfel, Cifelli & Stokes, P.A.
3343 Peachtree Road, Suite 550
Atlanta, GA 30326
Attn: Frank Nason
Telephone: 404-262-7373
Facsimile: 404-262-9911

And

Long Aldridge & Norman LLP
303 Peachtree St., Suite 500
Atlanta, GA
Attn: H. Franklin Layson
Telephone: 404-527-4052
Facsimile: 404-521-6794

If to Bidder, addressed to it at:

Counsel Corporation, Inc.
280 Park Avenue, 28-W
New York, NY 10017
Attn: Gary Wasserson
Telephone: 212-286-5001
Facsimile: 212-286-5036

with a copy to:

Mark Lichtenstein, Esq.
Herrick, Feinstein LLP
2 Park Avenue
New York, NY 10016
Telephone 212-592-1400
Facsimile: 212-592-1500

Any party hereto may change its address for receiving notices, requests and other documents by giving written notice of such change to the other parties hereto.

Section 20.3. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, with respect to such subject matter. This Agreement may be executed in multiple counterparts, all of which together shall constitute one instrument. Facsimile signatures on such counterparts shall be accepted by the parties as originals.

Section 20.4. Assignment. Neither party may sell, transfer, sublicense, hypothecate or assign any of its rights and obligations hereunder without the written consent of the other, and any purported assignment, without such consent shall be void ab initio and of no force or effect; provided that Purchaser may assign its rights under this Agreement to any wholly owned subsidiary or to any affiliate of Purchaser without consent, provided that such assignee agrees in writing to be bound by all of Purchaser's obligations hereunder.

Section 20.5. Amendment. No waiver, amendment, or modification of any provision of this Agreement shall be effective unless consented to by both parties in writing. No failure or delay by either party in exercising any rights, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy.

Section 20.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the California, without regard to conflicts of law principles of such state.

Section 20.7. Titles and Headings. The titles and headings of each section are intended for convenience only and shall not be used in construing or interpreting the meaning of any particular clause or section.

Section 20.8. Equitable Relief. All parties acknowledge that any breach of the confidentiality provisions of this Agreement by either party will result in irreparable harm to the other party. Both parties therefore agree that each party shall have the right to an injunction or other equitable relief to enforce this Agreement and any of its provisions, without prejudice to any other rights and remedies that either party may have.

Section 20.9 Independent Contractor. All parties expressly acknowledge that they act for each other only for the purposes and to the extent set forth in this Agreement, and the relationship of Purchaser and World Access shall, during the period or periods hereunder, be that of an independent contractors. Nothing in this Agreement shall be construed as an employee/employer relationship, partnership or joint venture.

Section 20.10 Retention of Jurisdiction by Bankruptcy Court. The parties acknowledge and agree that the Bankruptcy Court shall retain jurisdiction over the parties to this Agreement to enforce the terms of this Agreement and resolve any claims or disputes which arise under this Agreement. All parties hereto expressly submit themselves to the jurisdiction of the Bankruptcy Court.

Section 20.11 Term of Sale Order Control. Nothing herein shall limit, affect or modify the obligations of Bidder or Purchaser under the Order. To the extent of any conflict or inconsistency of the terms hereof with the terms of the Order, the terms of the Order shall be binding upon the parties hereto.

WORLD ACCESS INC.

LAMBERTH, BONAPPEL CIFELLI & STOKES, P.A.

By:

Name: Jas. Cifelli

Title: Attorney for WORLD ACCESS, INC.

WORLDxCHANGE COMMUNICATIONS,
INC.

LAMBERTH, BONAPPEL, CIFELLI & STOKES, P.A.

By:

Name: Jas. Cifelli

Title: Attorney for WORLDxCHANGE
COMMUNICATIONS, INC.

COUNSEL CORPORATION, INC.

By:

Name:

Title:

PT-1 COUNSEL, INC.,

a.k.a., PT-1 LONG DISTANCE, Inc.

By:

Name:

Title:

WORLD ACCESS INC.

By: _____
Name:
Title:

**WORLDxCHANGE COMMUNICATIONS,
INC.**

By: _____
Name:
Title:

COUNSEL CORPORATION, INC.

By: _____
Name: Norman D. Christie
Title: Managing Director

**PT-1 COUNSEL, INC.,
a.k.a., PT-1 LONG DISTANCE, Inc.**

By: _____
Name: Norman D. Christie
Title: Authorized Signatory

MULTI-PARTY AGREEMENT

This Multi-Party Agreement (the "Agreement") is entered into as of this 4th day of June, 2001, by and between Counsel Corporation, a Canadian corporation ("Counsel"), PT-1 Counsel, Inc., a/k/a/ PT-1 Long Distance, Inc., a Delaware Corporation ("Buyer"), WorldxChange Communications, Inc., a Delaware Corporation and debtor-in-possession (the "Debtor"), George Farley, in his capacity as Trustee of the D&K Grantor Retained Annuity Trust (the "Trust"), and with the consent as to specified provisions of the Official Committee of Unsecured Creditors (the "Committee"). Collectively, Counsel, Buyer, the Trust and the Committee are referred to herein as "Parties," and individually each is a "Party."

WHEREAS, an auction was held on May 24, 2001 pursuant to the May 18, 2001 Sale Procedures Order entered by the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, in the matter known as *In re: World Access, Inc., et al.*, Case No. 01-B-14633 (jointly administered);

WHEREAS, on May 25, 2001, an Order Approving Auction Sale ("Order") was entered by the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, in the matter known as *In re: World Access, Inc., et al.*, Case No. 01-B-14633 (jointly administered);

WHEREAS, the Order identified Counsel as the Successful Bidder for certain of the assets of the Debtor, such assets being denominated as the Purchased Assets and defined in the Order;

WHEREAS, the Trust holds a security interest in the Purchased Assets;

WHEREAS, the Closing (as described in the Order) of WxC's sale of the Purchased Assets to Counsel shall take place at the offices of Lamberth, Bonapfel, Cifelli & Stokes, P.A., 3343 Peachtree Road, N.E., Suite 550, Atlanta, GA 30326 on June 4, 2001 ("Closing Date");

WHEREAS, pursuant to the Order, Counsel is to pay, at Closing and on the Closing Date, USD \$15,000,000 (Fifteen Million U.S. Dollars) for the Purchased Assets, which sum shall, at the Closing, be adjusted, on a dollar for dollar basis, upward or downward, in an amount equal to the amount by which the WxC U.S. retail accounts receivable, as of the Closing, differ from the amount of WxC's U.S. retail accounts receivable existing as of the close of business on May 24, 2001 ("Adjusted Purchase Price"), calculated on a consistent basis in accordance with WxC's post-petition practice and as calculated by WxC for purposes of demonstrating adequate protection in connection with WxC's motion for authority to use cash collateral (such retail accounts receivable so calculated shall be known as "Retail A/R");

WHEREAS, the Trust, as a holder in due course of a security interest in the Purchased Assets, is entitled to receive the Adjusted Purchase Price to be paid at Closing on the Closing Date;

WHEREAS, Counsel has designated its affiliate, Buyer, to assume all of Counsel's rights and responsibilities at Closing and thereafter with respect to the Purchased Assets; and,

WHEREAS, the Parties have agreed to modify the Trust's receipt of the Adjusted Purchase Price as set forth in this Agreement and the amount of the Trust's claim satisfied in connection herewith;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Modification of Trust's Receipt of Adjusted Purchase Price. At Closing, the Parties agree that Buyer will cause to be wired USD \$11,500,000 (Eleven Million Five Hundred Thousand U.S. Dollars) to the Trust and the parties hereto authorize Debtor to cause Debtor's co-counsel, Katten Muchin & Zavis, to transfer at Closing USD \$1,500,000 (One Million Five Hundred Thousand U.S. Dollars) held by such Debtor's co-counsel in escrow pursuant to the Order as the earnest money deposit to the Trust, in each case pursuant to the wire instructions attached hereto as Exhibit A. Any interest earned on the earnest money deposit is to be returned to Counsel.

2. Adjusted Purchase Price. Notwithstanding anything to the contrary in the Order, the parties agree that the purchase price for the assets shall be the fixed sum of USD \$13,000,000 (Thirteen Million U.S. Dollars) and that upon receipt of the payments called for under paragraph 1 hereof the purchase price shall be deemed paid in full. The purchase price shall be subject to future modification only as follows: the Trust shall be permitted to collect the receivables from Debtor's wholesale business so long as the Trust diligently pursues collection and uses commercially reasonable efforts to maximize collections and without limiting the Buyer's right to engage in collection activities in conjunction with the Trust. All proceeds collected after closing whether by the Trust, Buyer or Debtor from the collection of the wholesale receivables shall be deposited into a segregated account maintained by Buyer for the exclusive benefit of the Trust and the Buyer, as their interests appear herein. Buyer shall report orally on a weekly basis and in writing on a monthly basis to the Trust as to the status of the collections of the wholesale receivables. With respect to such wholesale receivables, the first USD \$2,700,000 Dollars (Two Million Seven Hundred Thousand US Dollars) shall belong exclusively to the Buyer and any sums collected over and above the sum USD \$2,700,000 Dollars (Two Million Seven Hundred Thousand US Dollars), net of collection costs incurred by Buyer, shall be for the account of the Trust and shall be promptly remitted by Buyer to the Trust as received. For purposes of calculating such USD \$2.7 million to be paid to the Buyer, any agreement by Buyer or on behalf of Buyer to receive payment of such sum

agreement. Once the Buyer has been paid its USD \$2.7 million in full, the Trust has the option of having any collections of such accounts receivable deposited directly in the Trust's bank accounts. There shall be no other adjustments to the Purchase Price whether by reason of the collection of other accounts receivable, increases or decreases in the level of the accounts receivable, or otherwise, the Debtor having represented to the Committee that the amount of Retail accounts receivable has not, to the Debtor's knowledge, changed materially from that on May 24, 2001.

3. Acknowledgement Regarding Partial Satisfaction of Security Interest. The payment to the Trust of the amounts specified in paragraphs 1 and 2 hereof shall be deemed by the Trust to satisfy the Trust's security interest in Debtor's assets in an amount equal to USD \$16,500,000 Dollars (Sixteen Million Five Hundred Thousand US Dollars).

4. Trust's Audit Rights of WxC's Wholesale Accounts Receivable. Subsequent to Closing, the Trust shall have the right, at its sole election, to audit all relevant books and records that reflect the balance and collection of WxC's wholesale accounts receivable. The Parties agree to cooperate in good faith to permit the Trust to exercise its rights pursuant to this Paragraph 4.

5. Use of Cash Receipts The Debtor agrees that any and all cash on hand and any cash collections received by Debtor through the Closing Date shall be applied directly to pay amounts due by Debtor post-petition to the incumbent local exchange carriers (ILEC's) accrued on a post-petition basis that are in the approved cash collateral budget, less an amount reserved for payment of accrued commission expenses for multi-level marketing (for which payment the Debtor promptly shall seek, and all parties shall support, Court approval of a modification of the cash collateral orders by no later than June 15, 2001)(the "Cash Collateral Modification Motion")), and pending Court determination of the Cash Collateral Modification Motion the sum of \$526,000, subject to adjustments for any miscellaneous commission accruals for the period from the end of the most recent payroll period through the Closing Date as agreed to by Buyer and Debtor, will be held in trust by the Debtor for the purpose of paying such accrued commission expenses. Any employee compensation accruals for the period from the end of the most recent payroll period through the Closing Date may be paid as discussed with and confirmed with Buyer. Any funds from collections received by Debtor subsequent to the Closing shall be the property of Buyer and shall be promptly remitted by Debtor to Buyer.

6. Canadian Subsidiary Notwithstanding the provisions of paragraph 6(a) of the Order, the parties acknowledge and agree that the Purchased Assets shall not include any stock or other equity interest in Debtor's Canadian subsidiary, WorldxChange Communication, Inc. (Canada).

7. Extension of Contract Assumption and/or Rejection Date . The Buyer, the Debtor and the Committee hereby extend by mutual consent under Section 6(c) of the Order the time within which the Purchaser may advise the Debtor of its intentions to have the Debtors either assume and assign or reject assets.

twenty (120) days from the Closing Date provided solely in the case of the Committee's consent to such extension that, if following the initial period of thirty (30) days following the Closing the amount of the accrued post-petition liability for executory contracts that have not been rejected or designated by the Buyer for rejection accruing on the monthly basis (the "Monthly Accrual") is greater than \$1 million, then unless Buyer provides assurance of its obligation to pay such amounts for future monthly periods satisfactory to the Committee (the Committee acknowledging that a surety bond or letter of credit for the amount of the Monthly Accrual from time to time for executory contracts not rejected or designated by the Buyer for rejection being sufficient), then the Committee can by written notice to Buyer not less than three (3) business days following delivery of the items referred to in the immediately following sentence, withdraw its agreement to the extension pursuant to this Section 5 (which shall operate to rescind the consensual extension), without prejudice to Buyer's right to subsequently either (i) provide such satisfactory assurance consistent herewith or (ii) seek a Court order approving the extension without providing such assurance. Buyer shall provide not more than twenty-five (25) days following the Closing (a) a list of executory contracts not yet rejected or designated for rejection, (b) a reasonable estimate of the Monthly Accrual and (c) Buyer's intended means of providing performance assurance to the Committee's advisors, and each of Buyer and the Committee in good faith shall cooperate to reach consensus on the amount of the Monthly Accrual and reasonable performance assurance from time to time. The items in the prior sentence shall be provided by Buyer to the Committee in writing by either facsimile (confirmed by telephone), e-mail transmission (confirmed by telephone), hand delivery or overnight courier services, effective upon the date of receipt, to the following: (a) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Michael J. Edelman, Tel.: 212-530-5059, Fax: 212-822-5059, E-Mail: medelman@milbank.com; (b) Pricewaterhousecoopers LLP, 2710 Sand Hill Road, Menlo Park, CA 94025, Attention: Glenn Hiraga, Tel: 213 236-4519, Fax: 213 452-7887, E-Mail: glenn.a.hiraga@us.pwcglobal.com; and (c) Houlihan Lokey Howad & Zukin, 685 Third Avenue, New York, NY 10017-4024, Attention: John A. McKenna, Tel.: (212) 497-4124, Fax: (212) 661-3070, E-Mail: jmckenna@hlhz.com.

8. Amendment. No Amendment of this Agreement shall be valid or binding on the Parties unless such amendment shall be in writing and duly executed by an authorized representative of each Party.

9. Assignment. No Party may assign or delegate any of its rights or obligations under this Agreement, *provided that* Buyer is permitted to assign or delegate its rights to any successor to the Buyer's business.

10. Counsel Guarantee. Counsel hereby agrees to fully and unconditionally guarantee Buyer's performance hereunder including those obligations and payments provided in paragraph 2 hereof and under the Transition Services Agreement dated on or about the date hereof and any obligations to Debtor under any of the executory contracts to be assumed by the Buyer hereafter.

11. Governing Law. This Agreement shall be governed by the laws of the State of New York, without regard to its choice of law provisions (except to the extent superseded by federal bankruptcy law).

12. Entire Agreement; No Representation or Warranties; Review of Agreement; Parties' Relationship. This Agreement sets forth the entire understanding between the Parties. No Party makes any representation or warranty to any other Party (other than with respect to the authority of the undersigned to execute this Agreement on behalf of their respective Parties). Except as expressly set forth in this Agreement, nothing herein shall be deemed to affect the terms of the Order or the Parties' obligations thereunder. All parties hereto expressly submit themselves to the jurisdiction of U.S. Bankruptcy Court with respect to this Agreement and the transactions contemplated hereby. Each Party has reviewed this Agreement with its respective attorneys, and each party fully understands and agrees to abide by all terms contained herein. Counsel and Buyer specifically agree and acknowledge that they have not, do not and will not rely on any legal, regulatory, financial, business or other advice from the Trust with respect to (i) the decision to acquire the Purchased Assets and (ii) entering into this Agreement, and Counsel and Buyer forever release, waive and discharge any claim either or both parties had, have or may have against the Trust, whether known or unknown and whether arising in law or equity, based on any alleged reliance. This Agreement shall not be construed or interpreted to create a joint venture, partnership, limited partnership or any other business relationship or association whatsoever between the Trust, on the one hand, and Buyer and Counsel on the other hand.

13. Automatic Termination. In the event that the Closing does not occur on the Closing Date or the Trust does not receive the payment set forth in Paragraph 1 of this Agreement by 11:00 a.m. ET on June 5, 2001 (the parties agreeing that payment shall be made by wire transfer received at the opening of business on June 5, 2001), this Agreement shall terminate automatically and shall become null and void.

14. Fax Signatures; Counterparts The parties agree that the execution and delivery of this Agreement and the agreements and instruments related hereto may occur by facsimile transmission, and this Agreement and the related agreements and instruments may be so executed in one or more counterparts, each of which shall be deemed an original hereof and together shall represent one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

06/04/01 22:35 FAX 202 842 3888

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212 865 1577 TO 1282023935

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COUNSEL CORPORATION

PT-1 COUNSEL, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

D&K GRANTOR RETAINED ANNUITY TRUST

WORLDXCHANGE COMMUNICATIONS, INC.

By: Donald M. Lewis

By: _____

Name: Donald M. Lewis

Name: _____

Title: Counsel to the Trust

Title: _____

Consented to as to Sections 1, 2, 3, 5, 6, and 7

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: _____

Name: _____

Title: _____

JUN -04 01 (MON) 21:29

LBCS

TEL: 404 262 9911

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JUN 04 2001 22:27 FR HERRICK FEINSEIN

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COUNSEL CORPORATION

By: _____

Name: _____

Title: _____

**D&K GRANTOR RETAINED ANNUITY
TRUST**

By: _____

Name: _____

Title: _____

Consented to as to Sections 1, 2, 3, 5, 6, and
7

**OFFICAL COMMITTEE OF UNSECURED
CREDITORS**

By: _____

Name: _____

Title: _____

PT-1 COUNSEL, INC.

By: _____

Name: _____

Title: _____

**WORLDXCHANGE COMMUNICATIONS,
INC.**

LAMBERTH, BOMAFEL, CIFELLI + STOKES

By: for J. Cifelli

**Attorneys for WORLDXCHANGE
COMMUNICATIONS, INC.**

Name: _____

Title: _____

COUNSEL CORPORATION

By: _____

Name: _____

Title: _____

D&K GRANTOR RETAINED ANNUITY TRUST

By: _____

Name: _____

Title: _____

Consented to as to Sections 1, 2, 3, 5, 6, and 7

OFFICIAL COMMITTEE OF UNSECURED CREDITORSBy: Millbank Tweed, Hadley & McCloy LLP, on behalf of the CommitteeBy: Michael J. EdelmanName: Michael J. EdelmanTitle: Counsel for the Committee**PT-I COUNSEL, INC.**

By: _____

Name: _____

Title: _____

WORLDXCHANGE COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____

COUNSEL CORPORATION

By: 

Name: Norman D Chirite

Title: Managing Director

D&K GRANTOR RETAINED ANNUITY TRUST

By: _____

Name: _____

Title: _____

Consented to as to Sections 1, 2, 3, 5, 6, and 7

OFFICAL COMMITTEE OF UNSECURED CREDITORS

By: _____

Name: _____

Title: _____

PT-1 COUNSEL, INC.

By: 

Name: Norman D Chirite

Title: Authorized Signatory

WORLDXCHANGE COMMUNICATIONS, INC.

By: _____

Name: _____

Title: _____